

PROCUREMENT ADVISORY No. 58 B

Partially Removes the Prohibition on Use of the Purchase Card To Acquire Telecommunications

1. SUMMARY

This advisory has been prepared to inform USDA agencies and offices about a change to policy governing the use of purchase cards for telecommunications. This revised advisory allows for the use of the purchase card for telecommunications, with the exception of three conditions referenced below in this advisory, (see paragraph 6, **Prohibitions**, below). **Except for these prohibitions**, USDA agencies may now use the purchase card to acquire or to pay for telecommunications services, supplies, or equipment.

2. BACKGROUND

USDA has taken steps and significant measures to improve its management of telecommunications since Procurement Advisory 58A was published in 2003. As a result of a GAO Report in 1995 on USDA telecommunications, a determination was made to improve control over expenditures for telecommunications. Accordingly, in order to increase internal controls, the decision was made to limit the use of the purchase card for purchase of, or payment for, telecommunications. This policy is now being revised to allow more flexibility in the use of the purchase card.

3. REFERENCES

- a. GAO Report to Congressional Requesters, **GAO/AIMD-95-97, USDA Telecommunications: Missed Opportunities To Save Millions** (April 1995) <http://www.gao.gov/archive/1995/ai95097.pdf>.
- b. USDA Departmental Regulations (DR) 3300-001 through DR 3300-020, *Telecommunications Management* <http://www.ocio.usda.gov/policy-directives-records-forms/directives-categories#3000>.
- c. USDA DR 5013-6, *Use of Purchase Card and Related Alternative Payment Methods* (November 2012) <http://www.ocio.usda.gov/sites/default/files/docs/2012/DR5013-6.htm>.
- d. USDA, *Information Technology Capital Planning and Investment Control Guide for Fiscal Year 2011 Budget*. http://ocio.os.doc.gov/ITPolicyandPrograms/Capital_Planning/dev01_003722.
- e. USDA OCFO Bulletin, *Implementation of Metropolitan Telecommunications (MetTel) Services* (November 2013) <https://cod.nfc.usda.gov/Documents/bulletins/ocfo-docs/ocfo13-02.pdf>.

4. DEFINITIONS

This advisory addresses the acquisition of products and services that support telecommunications.

“**Telecommunications**,” as defined in USDA Departmental Regulation (DR) 3300-001, includes the transmission, emission, or reception of signals, writing, images, sounds, or intelligence of any nature, by wire, cable, satellite, fiber optics, laser, radio, or any other electronic, electric, electromagnetic, or acoustically coupled means. The term includes the telecommunications facilities and equipment necessary to provide telecommunications services. Telecommunications is a component of the Information Resource Management (IRM) delivery system.

“**Telecommunication services**” includes any access services which provide, for a recurring fee, electronic connectivity to the public switched network and those support services which provide for the acquisition, operation, and management of attached systems. Access services include voice and data communications, video-conferencing, cellular and paging services, and those services necessary for efficient operation and management of a telecommunications system. Agency private networks which use or aggregate access to a publicly switched network are likewise included.

5. ACTIONS

USDA is providing the authority to purchase telecommunications to purchase cardholders and warranted contracting officers up to the lesser of their single purchase limit, or the Acquisition Approval Request (AAR) limit, for IT and telecommunications.

The purchase card should be used in accordance with all DR 3300s, DR 5013-6, and all other Federal regulations regarding the acquisition of telecommunications consistent with the AAR limit for agency/staff offices. Please refer to the attached link for more information pertaining to USDA Telecommunications Management Policy: <http://www.ocio.usda.gov/policy-directives-records-forms/directives-categories#3000>.

Any agency purchase of telecommunications must be properly documented according to the USDA budget object classification code (BOCC) to ensure proper property, inventory, and financial tracking of purchased items. The BOCC Guide may be referenced from the USDA National Finance Center Website: <https://cod.nfc.usda.gov/Documents/docs/boc.pdf>.

6. PROHIBITION

The purchase card **MAY NOT** be used for the purchase of telecommunications when the following conditions exist:

- a. All directly billed and recurring telecommunication services obligated and committed through a USDA network and/or feeder system designed to manage and track telecommunication expenditures. Examples of these systems include, but are not limited to MetTel, IPAC (Networx or General Services Administration), Treasury Offset Program (TOPS), etc. The government purchase card, however, may be used as the payment tool when appropriate de-obligation of funds commitment has been recorded.
- b. Purchase of telecommunications supplies or services above the single purchase limit or above the warrant level of the purchase cardholder.
- c. Purchase of telecommunications supplies or services above the AAR limit (currently \$25,000) without the approval of the Office of the Chief Information Officer.

Procurement Advisories are issued by the Procurement Policy Division of the Office of Procurement and Property Management, Departmental Management, USDA, and posted on the World Wide Web at <http://www.dm.usda.gov/procurement/policy/advisories.html>. If you have questions or comments regarding this advisory please send an email message to the procurement policy division at procurement.policy@dm.usda.gov.

EXPIRATION DATE: Effective upon issue date until canceled.